

EXHIBIT 2
DATE 1.25.07
HB 166

Spangler, Brian

From: Logan Fisher [steelefish365@yahoo.com]
Sent: Tuesday, January 16, 2007 10:09 AM
To: Spangler, Brian
Subject: HB 166
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Brian,

Thank you for asking for input into this very important piece of legislation. The new changes that have been made to the HB 166 are exactly what biodiesel producers in Montana need to give us a competitive advantage in the market place.

Earl Fisher BioFuels LLP is a partnership between Logan Fisher and Brett Earl. Brett and I are both forth generation Montana farmers. We are concerned about the agriculture economy, but hopeful for our small communities and state. Brett and I have education and experience in: production agriculture, chemical engineering, sales, marketing, finance and management and have set out to use these skills for the betterment of our community in and around Chester. Our mission at Earl Fisher BioFuels is to create economic growth and employment opportunities by building a biodiesel production facility. This will in turn create a self sustaining industry by creating a market for oilseed crops that can be grown locally, converted to fuel locally, and consumed locally. We plan to duplicate the process in other small communities throughout the state

If I have interpreted the changes to HB 166 correctly it will allow a company like Earl Fisher BioFuels, if it is profitable, to receive a credit against taxes for 15% of the capital cost for (Sec. 701) oilseed crushing equipment and/or (Sec. 702) biodiesel production equipment every year for a period of seven (7) years with the aggregate total of credits being \$500,000. For credit against taxes for 15% of (Sec. 703) storage and blending equipment with an aggregate total of \$52,500. Unused credits can be rolled forward up to seven years

I feel it is important to keep this legislation as equitable as possible. For example, a large company like Exxon that is already hugely profitable can come in, acquire this equipment and will be able to capture the credit immediately. The smaller local start up like Earl Fisher BioFuels may not be profitable for a period of years, therefore, missing out on portion of the important tax incentive. One way to reverse this problem is to allow the smaller company to collect it's 15% credit as income tax refund or as an excise tax refund. This way the local Montana company could use the whole \$500,000 over the seven year time period allowing it to grow and compete with the large out of state corporation.

Montanans have the ability, skill, and desire to be major players in bio-based industries from growing the oilseeds, to processing, to consumption of these clean renewable products. The key to our success is a somewhat level playing field.

Logan Fisher

Partner
Earl Fisher BioFuels

1/24/2007

Chester, MT 59522
steelefish365@yahoo.com
406.390.2965

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